

MESSAGE FROM UNITED STATES ATTORNEY MIKE HEAVICAN

I am pleased to have this opportunity to provide information on recent activities of the United States Attorney's Office for the District of Nebraska. In cooperation with federal, state, and local law enforcement agencies throughout Nebraska, we have worked to guard against terrorism, to fight violent crime and drug abuse, to prosecute those who engage in corporate fraud, and to aggressively enforce federal criminal law in general. We have also worked with



various entities to improve law enforcement in Indian Country. In the area of civil litigation, we continue to seek to effectively represent the interests of the United States and federal agencies, officers, and employees throughout the State.

As a result of our efforts, innovative procedures are now in place to address concerns related to terrorism, gun violence, and drug abuse, and to provide effective law enforcement on Indian Reservations in Nebraska. We filed a record number of federal criminal cases in 2002. Monetary recoveries for the United States in criminal and civil litigation increased in 2002, and the government's interests were protected in several significant civil cases.

Our success could not have been achieved without the cooperation of the public and the federal, state, and local agencies with whom we work. Thanks to all who assisted in our efforts to make Nebraska a better place.

Michael G. Heavican
United States Attorney
District of Nebraska

UNITED STATES ATTORNEY'S OFFICE DISTRICT OF NEBRASKA ANNUAL REPORT

INTRODUCTION

United States Attorneys are appointed by the President to serve as the chief federal law enforcement officer in each of the Nation's 94 federal judicial districts. Michael G. Heavican became United States Attorney for the District of Nebraska in September 2001. Prior to his appointment he served as First Assistant United States Attorney, Chief of the Drug Prosecution Unit in the United States Attorney's Office (USAO), and Lancaster County Attorney. United States Attorney Heavican oversees a staff of 26 Assistant United State Attorneys (AUSAs) and more than 40 support personnel working in offices located in Omaha and Lincoln. Five attorneys from the County Attorney's Offices for Douglas, Lancaster, Hall, and Dawson Counties, as well as attorneys from the Nebraska Attorney General's Office and several federal agencies, have been designated as Special Assistant United States Attorneys.

As part of the United States Department of Justice, the USAO is responsible for representing the United States in criminal and civil litigation throughout the District of Nebraska, which includes the entire State. Nebraska has an area of roughly 77,000 square miles and a population of 1.7 million. From the large metropolitan areas of Omaha and Lincoln to its smaller towns and expansive rural areas, Nebraska is geographically and culturally diverse. The State has a mixed economic base with substantial agricultural and agribusiness sectors, as well as significant manufacturing, technological and service sectors. Numerous federal enclaves and Indian reservations are also present.

The USAO is made up of several components. The Criminal Division, which includes the General Crimes Unit and the Drug Prosecution Unit, prosecutes violations of federal criminal law. Attorneys in the General Crimes

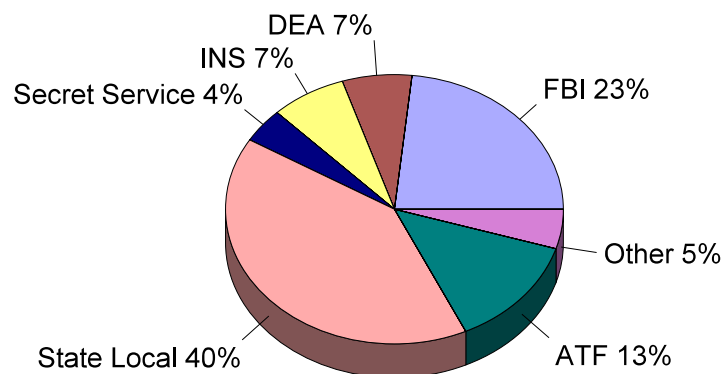
Unit are supervised by Criminal Chief Jan Sharp. Drug Prosecution Unit attorneys are supervised by Organized Crime/Drug Enforcement Task Force (OCDETF) Chief William Mickle. Attorneys in the Civil Division, supervised by First Assistant Sally Johnson, represent the United States and its agencies, officers, and employees in affirmative and defensive civil litigation in federal and state courts. The Law Enforcement and Community Coordination (LECC) Unit, supervised by LECC Manager Joseph Jeanette, maintains partnerships with state, tribal, and local law enforcement agencies, and provides information and assistance related to federal grants for law enforcement. The Administrative Unit, supervised by Administrative Officer Denise Smith, supports the operations of all components of the office.

CRIMINAL DIVISION

Working closely with federal, state, tribal and local law enforcement agencies, the attorneys in the USAO's Criminal Division develop investigations of violations of federal criminal laws for presentation to a federal grand jury. If the grand jury returns an indictment, Criminal Division attorneys are then responsible for prosecuting the defendants named in the indictment in federal district court cases in Omaha, Lincoln, or North Platte.

Defendants Indicted 2002

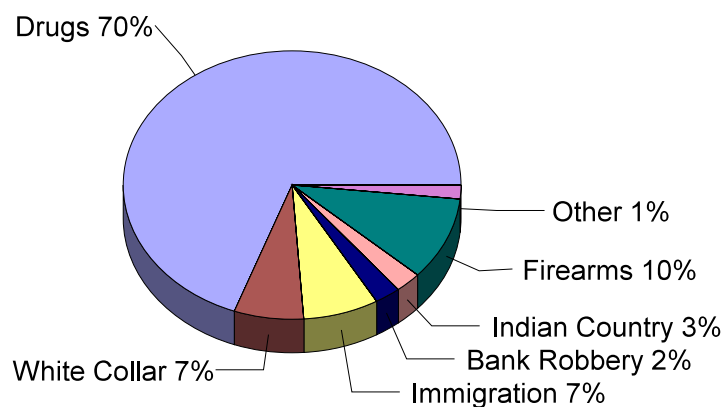
By Investigating Agency



A record number of federal criminal indictments were filed in the District of Nebraska in 2002. The 613 indictments filed during the year charged a total of 809 defendants, and represented an increase of 37 percent over the number of indictments filed in 2001. Many of the cases involved charges related to illegal drug use, and a significant number charged violations of federal firearms and immigration laws.

Defendants Indicted 2002

By Case Type



Much of the USAO's work in the past year has focused on areas identified as national priorities by the Department of Justice. Those areas include anti-terrorism efforts, reduction of gun violence, drug enforcement, and fraud by or against public corporations through the falsification of information, obstruction of justice, insider trading or other abuses of trust by corporate insiders. In Nebraska, additional District priorities for the USAO's Criminal Division include law enforcement in Indian Country and enforcement of federal immigration laws.

A. ANTI-TERRORISM

The first national priority of the Department of Justice is the fight against terrorism, both international and domestic. The USAO's Criminal Division has committed significant resources to this effort.

Working closely with the Federal Bureau of Investigation and other law enforcement agencies, the USAO has identified potential targets of terrorist activities in Nebraska, created communications networks to share information concerning possible terrorist activity, and developed plans for responding to terrorism events in the State. These efforts are designed to ensure that all appropriate personnel will be made aware of any terrorist threat which arises and will be able to react to any terrorist incident in a coordinated, efficient manner. In the future, the USAO will continue to work with entities involved in emergency preparedness and infrastructure protection throughout Nebraska in order to improve and maintain the effectiveness of terrorism response plans.

As part of its anti-terrorism efforts, the USAO provided training to various entities on numerous occasions during 2002. A large number of federal, state, and local law enforcement officers from throughout the state received training on terrorism at the USAO's annual LECC Conference. At several times throughout the year, United States Attorney Heavican and Criminal Chief Sharp personally addressed various civic groups to educate the public about the Department of Justice's anti-terrorism programs.

The USAO participates in several task forces designed to improve information sharing between the public and private sectors on topics related to international and domestic terrorism. The USAO hosts quarterly meetings of Nebraska's Anti-Terrorism Task Force (ATTF), which is made up of representatives of federal, state, and local law enforcement agencies, as well as other organizations involved in the fight against terrorism. Nebraska's ATTF meetings are conducted jointly with the two USAOs in Iowa, and give participating agencies an opportunity to share information on all issues related to terrorism.

In order to increase the effectiveness of information sharing in the fight against terrorism, the USAO has developed a plan to place videoconferencing equipment in State Patrol troop headquarters, which are located strategically across the entire State. The equipment will be tied into the USAO's videoconferencing equipment, allowing law enforcement personnel in distant parts of the State to participate in ATTF meetings at the nearest troop headquarters rather than traveling to Omaha. The equipment will also be

available to outstate agencies for use in all types of criminal investigations, which will greatly enhance the ability of law enforcement agencies throughout the State to share information.

Anti-Terrorism Cases

Several cases were developed in the District of Nebraska in 2002 which were related to terrorism.

United States v. Lucas John Helder -

Lucas John Helder planted pipe bombs in mailboxes in several states across the Midwest, including Nebraska. He has been charged with interstate transportation of explosives in a criminal complaint filed by the Nebraska USAO. He is currently in federal custody and awaiting trial in the Northern District of Iowa.

United States v. Jad Aref Hammad -

Jad Aref Hammad was indicted in 2002 for visa fraud. The indictment alleged that Hammad lied on forms submitted to the INS when he made application to become a permanent resident of the United States, in that he denied having been previously convicted of any criminal offense when in fact he had been convicted in Israel on various criminal charges arising from his firebombing of a tomb in Jerusalem. Hammad was found guilty by a federal jury at his trial in April 2003. He is in federal custody awaiting sentencing.

In the past year the USAO participated in several operations designed to improve domestic security by identifying illegal aliens present in the State, including those working in secure areas of Nebraska airports. Several individuals have been prosecuted on federal immigration charges and are now in federal prison. Others have been deported.

B. GUN VIOLENCE REDUCTION

Reduction of the threat and incidence of violent crime, especially from the illegal use of guns, is a national priority of the Department of Justice. The primary vehicle for accomplishing this priority is Project Safe Neighborhoods, which encourages the strategic use of federal prosecution of gun offenses to deter violent crime.



The USAO's Project Safe Neighborhoods program employs specific strategies developed to address the problem of gun violence as it exists in Nebraska. As part of the Project, the USAO attempts to identify those individuals who present the most serious threats to their respective communities and to make those persons the subject of intense scrutiny and federal prosecution. Reports of gun related incidents, maps of the location of incidents involving gun violence, and statistical information reflecting incidents of gun violence are reviewed to determine the most effective strategies for addressing the problem. The success of the USAO's gun violence reduction efforts will be regularly assessed, and the strategies will be adjusted as appropriate.

The USAO created a Project Safe Neighborhoods Task Force, made up of law enforcement officials from several state and local agencies, business leaders, researchers and public relations experts, to identify specific immediate goals for the program and to design an effective outreach campaign. The Task Force has concluded that the most serious gun violence problems currently facing the citizens of Nebraska are: (1) shootings in concentrated geographic locales in the Omaha metropolitan area; and (2) the use/presence of guns in connection with incidents of domestic violence. The Project Safe Neighborhoods program strategy has focused on those areas to date.

Partnerships have been established between the Project Safe Neighborhoods Task Force, the USAO, and existing community groups who were already working on solutions to gun violence and drug trafficking problems in Nebraska's communities. Attorneys from the USAO's Criminal Division now

attend regular meetings with the Omaha Police Department's gang unit and the Douglas County Attorney's Office to review incidents of gun violence in the City of Omaha and determine which offenders should be prosecuted in federal court. Screening prosecutors have been designated in other populous counties of the State to assist the USAO in identifying cases which are appropriate for prosecution in federal court.

In connection with the Project Safe Neighborhoods program, the USAO has continued its Project Impact Initiative, which is aimed specifically at reducing youth gun violence in Omaha. Representatives of city, county, state, and federal governmental agencies, together with local community service providers, members of the faith community, and grass roots community organizers work together on Project Impact to develop specific strategies and particular interventions designed to address youth gun violence.

United States Attorney Heavican, Criminal Chief Sharp, LECC Manager Jeanette, and other USAO personnel have traveled across the State to explain the benefits of the Project Safe Neighborhoods program to local prosecutors, law enforcement officers, the news media and private citizens. In addition, the particulars of the program have been explained to "at risk" offenders at notification meetings conducted by office personnel. United States Attorney Heavican has explicitly detailed the "hard time for gun crimes" message in high crime areas of north and south Omaha.

As part of the public outreach for Project Safe Neighborhoods, the USAO conducted an art competition for high school students to determine who could create a poster that best delivered an anti-gun violence message. The winning entry, pictured below, has been incorporated into billboards now on display in high crime areas of Omaha. Public interest announcements aimed at reducing gun violence are being aired on television and radio stations serving high crime neighborhoods.



Gun Cases

Nebraska's Project Safe Neighborhoods program has resulted in a significant increase in the number of gun cases prosecuted in federal court. During 2002, the USAO charged 91 defendants as part of the initiative. Many were previously convicted felons who illegally possessed firearms. Some of the cases filed in 2002 were "gun only" cases while others involved both drug and gun charges. The number of new gun cases filed in federal court accelerated rapidly during the fall months of 2002 as Project Safe Neighborhoods began to hit its stride, and the total number of gun cases filed is expected to grow in 2003.

United States v. Richard L. Matzke -

Richard L. Matzke was sentenced to 20 years of imprisonment and ordered to pay restitution in the amount of \$172,278.60 following his conviction on bank robbery and firearms charges. Matzke pled guilty to robbing the Siouxland Federal Credit Union in Norfolk, Nebraska, and the robbery or attempted robbery of 33 other credit unions or banks in the

states of Illinois, Iowa, Wisconsin, Indiana, North Dakota, South Dakota, Kansas, and Missouri.

United States v. Joshua Parks -

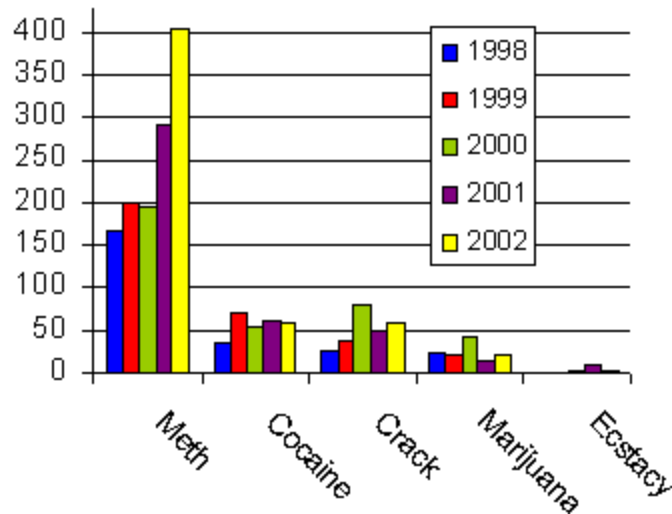
Joshua Parks was convicted by a jury of aiding and abetting false statements made in connection with the purchase of six handguns from various businesses in Lincoln. A third party falsely indicated to the businesses that she was the purchaser of the guns, when in fact Parks was the true purchaser. Parks was also convicted of conspiracy to distribute methamphetamine, and was sentenced to 151 months in federal prison.

C. DRUG ENFORCEMENT

Drug enforcement is another national priority of the Department of Justice, and is an important local priority in Nebraska. As a result, the USAO has continued to commit significant resources to the fight against drugs. Through cooperative agreements with the Nebraska Attorney General's Office, and the County Attorney's Offices in Douglas, Lancaster, Hall, and Dawson Counties, the USAO has been able to expand its prosecutorial resources through the appointment of Special Assistant United States Attorneys who work exclusively on drug cases.

The number of drug indictments filed in the District of Nebraska increased significantly in 2002. In 2001, there were 271 drug cases indicted in the District. In 2002, the number of drug cases indicted grew to 559. Many of the cases filed in recent years involve methamphetamine, although other controlled substances are also involved. The following chart reflects trends in the types of cases filed in the past five years.

Federal Drug Charges 1998-2002



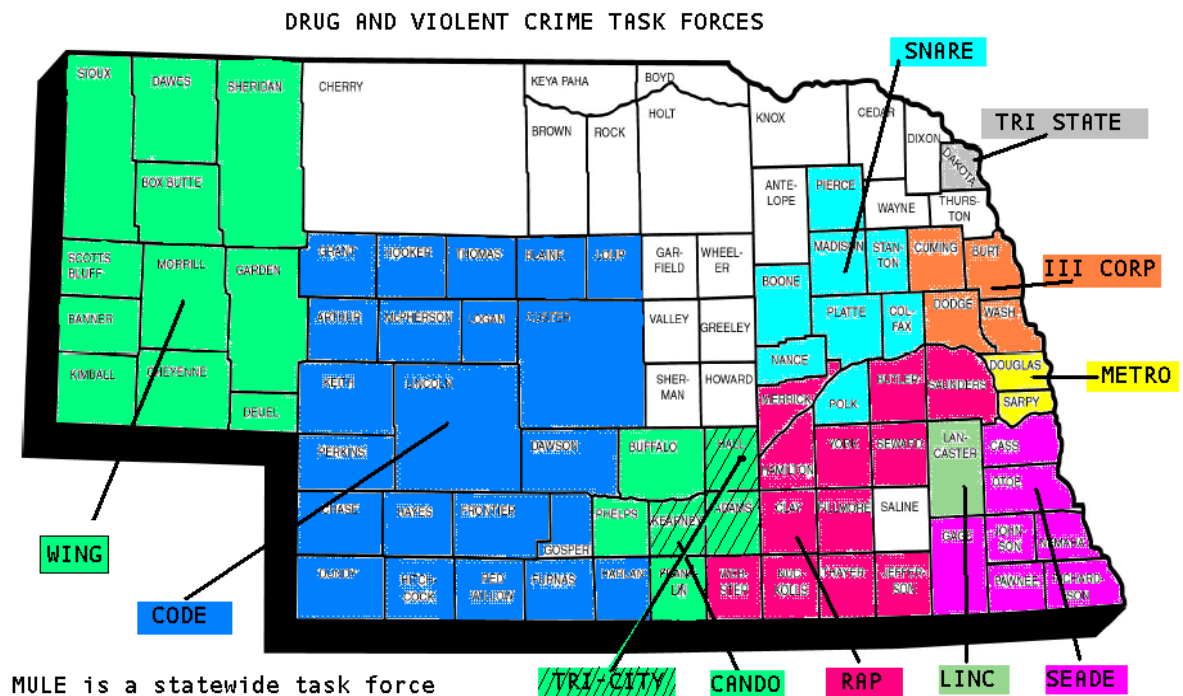
The drug enforcement strategy of the USAO is designed to identify, disrupt and dismantle drug trafficking organizations operating in Nebraska and elsewhere. United States Attorney Heavican and OCDETF Chief Mickle actively participate in national and regional working groups and committees which are instrumental in formulating drug enforcement strategies. In 2002, United States Attorney Heavican served as a member of the Attorney General's Advisory Committee, and as the National Chair of that Committee's Narcotics Subcommittee. Both have direct input into the development, implementation and evaluation of the Department of Justice's national drug enforcement strategies.

United States Attorney Heavican is also the Chair of the Executive Committee of the Midwest High Intensity Drug Trafficking Area organization (HIDTA), an entity devoted to developing effective strategies to address the problem of illegal drug importation, distribution and manufacture in the Midwest.

The entire staff of the USAO's Drug Unit is actively involved in the implementation of the West-Central OCDETF regional strategy, which targets regional priority drug trafficking organizations within the West-Central Region. Nebraska's OCDETF Coordinating Group continues to be an active and dynamic body, extensively involved in the identification of large scale narcotics cases in the State. The Drug Enforcement Nebraska Task Force (DENT) Board, which includes the chief administrative officer/agent of several local, state and

federal law enforcement agencies, guides the identification of cases to be prosecuted federally in the District of Nebraska, as well as those with connections to other districts and regions.

Attorneys from the USAO continue to work with eleven law enforcement task forces made up of federal, state, and local agencies investigating illegal drug activity in various regions of the State. The task forces provide the investigative assistance necessary to develop evidence for use in drug prosecutions, and serve as a valuable mechanism for sharing intelligence on illegal drug activities throughout the State. In cooperation with the task forces, local prosecutors and attorneys from the USAO determine which cases are appropriate for federal prosecution, and which should be prosecuted in the State court system.



CANDO = Compact for Apprehension for Narcotics Dealers and Offenders
 CODE = Central Nebraska Cooperative Operation for Drug Enforcement
 LINC = Lincoln/Lancaster County Drug Task Force
 METRO = Metro Omaha Drug Task Force
 MULE = Mid & Upper Law Enforcement
 RAP = Rural Apprehension Program
 SEADE = Southeast Area Drug Enforcement
 SNARE = Specialized Narcotics Abuse Reduction Effort
 WING = Western Nebraska Intelligence Narcotics Group

As part of its effort to fight illegal drug use, the USAO has for several years supported community outreach and education programs designed to discourage drug use. The USAO has also assisted state agencies in the development of an innovative drug court program designed to reduce recidivism in drug offenders. Another demand reduction effort being utilized in the District is Retail Watch Nebraska. The USAO, together with law enforcement agencies in various communities and the Midwest HIDTA, has formed a network of retailers to watch for and report individuals who purchase products utilized in the manufacture of methamphetamine (pseudoephedrine, lithium batteries, drain cleaners and muriatic acid, de-icer, starter fluid, camping fuel, etc.). Merchants provide information to law enforcement officers which is collated with other data for the statewide intelligence network. The information will not only assist in the identification of individuals potentially involved in the manufacture of illegal controlled substances, but will also be of value in developing prosecution strategies designed to reduce the demand for illegal drugs.

The USAO has recently implemented a "Meth Kids" program designed to protect children from dangers related to methamphetamine manufacturing. The program will address health and safety issues for children who are physically present at a meth lab site, and those who live in the contaminated environment. Referrals for foster care placement will be made if appropriate, and investigative reports and interviews with the children will be reviewed for possible prosecution of the parents or adults responsible for exposing the children to the contaminated environment.

Drug Cases

"Brotherhood" Investigation -

This OCDEF investigation focusing on the prosecution of gang members distributing crack cocaine in south Omaha has resulted in 74 federal indictments of 94 defendants. To date, 41 of the 64 defendants sentenced have received sentences in excess of 10 years.

"Goin Shoppin" Investigation -

This OCDETF investigation by a number of law enforcement agencies in the Plattsmouth and Omaha areas focuses on the identification of persons who were purchasing quantities of pseudoephedrine for use in the manufacture of methamphetamine. Twenty-seven state arrests were made, and 12 defendants have been indicted federally. The investigation has also resulted in the discovery of five working methamphetamine labs.

"Thermal" Investigation -

As a result of this investigation by the Lincoln Police Department, the FBI, and the Nebraska State Patrol, a significant drug distribution organization was dismantled. The organization was responsible for the distribution of over 70 kilograms of methamphetamine, 272 kilograms of marijuana and 10 kilograms of cocaine. A total of 29 defendants were sentenced to prison terms averaging 129 months for the leaders of the organization, and 89 months for the other members of the organization. Fourteen illegal firearms were seized during the investigation.

United States v. Davis -

Benedict resident John E. Davis was sentenced to life plus 10 years in prison on charges related to the distribution of methamphetamine in the York, Fairmont, Columbus, and Grand Island areas. Davis was found guilty by a federal jury in Lincoln of conspiracy to distribute methamphetamine, tampering with a witness, and discharging a firearm in connection with a drug trafficking offense. Davis was found responsible for the distribution of between 11 and 22 pounds of methamphetamine. The witness tampering and firearm convictions resulted from an incident in which Davis shot at a person driving by his home because he believed the person might be a potential witness against him.

United States v. Dobrusky -

Arthur Dobrusky of Seward was sentenced to 15 years in prison upon his conviction for possessing with intent to distribute 500 grams or more of

methamphetamine and use of a firearm in connection with a drug trafficking offense. Law enforcement officers seized methamphetamine, cocaine, marijuana, various items of drug paraphernalia, firearms and ammunition, and \$10,110 in cash from Dobrusky's home, which was located within 1000 feet of St. John's School in Seward. The cash was forfeited as proceeds of drug trafficking.

United States v. Gary Storey -

Gary A. Storey of Omaha was sentenced to eight years in prison upon his conviction for conspiracy to distribute and to possess with intent to distribute marijuana. He was found responsible for supervising at least five people in the conspiracy, which involved the distribution of more than 100 kilograms of marijuana between September 1998 and November 2001. As part of his plea agreement, Storey also agreed to forfeit cash and property with a total value of more than \$2,000,000 which represented proceeds and instrumentalities of the conspiracy.

D. LAW ENFORCEMENT IN INDIAN COUNTRY

United States Attorney Heavican serves on the Attorney General's Advisory Committee Sub-Committee on Native American Issues. A major priority of the USAO Nebraska has been improving law enforcement in Indian Country. There are three major Indian Reservations in the District of Nebraska. Federal criminal jurisdiction applies on the Omaha and Winnebago Reservations, and an application for retrocession of jurisdiction for criminal offenses committed on the Santee Sioux Reservation to the United States is being considered. As a result, the USAO has extensive dealings with all three Tribes.

The USAO has taken action to clarify the bewildering maze of jurisdictional issues which state, federal and tribal law enforcement authorities must resolve when a crime occurs in Indian Country in Nebraska. Questions often arise as to which law enforcement entity has the authority to investigate and prosecute crimes depending on the location of the offense and the identity of the perpetrator and victim. After soliciting input from Tribal, state, local and federal authorities to determine which issues most frequently occur, the USAO and the Bureau of Indian Affairs presented a jurisdictional training conference

in South Sioux City in January 2003 to address those issues. Numerous experts made presentations on the applicable legal principles, and several breakout sessions were held to allow small group discussion aimed at identifying workable solutions to recurring concerns. The conference, which was attended by more than 120 representatives of Tribal, state, local and federal entities, was deemed by all to be an important step toward resolving difficult jurisdictional issues related to law enforcement in Nebraska's Indian Country.

A concerted effort has been made in recent years to build on the working relationship which exists between the USAO and the Indian Nations present in Nebraska. Various representatives of the USAO, including United States Attorney Heavican, travel to the Omaha and Winnebago Reservations to meet with the Tribal Councils for the respective Tribes on a quarterly basis. At those meetings, personnel from the USAO endeavor to answer questions posed by the Tribal leadership and address issues raised. Recently, United States Attorney Heavican and several USAO staff members met with representatives of the Santee Sioux Tribe, the Bureau of Indian Affairs, and state and local law enforcement agencies to develop plans for procedures to assure effective law enforcement on the Santee Sioux Reservation in the event that retrocession occurs.

The USAO has used the meetings as a means of determining what law enforcement issues are important to the Tribes, and where appropriate, has changed its prosecutorial policies to address Tribal concerns. For example, the USAO has relaxed its prosecution guidelines for cases arising on the Omaha Reservation in an effort to reduce drug abuse on the Reservation through visible, aggressive criminal enforcement of drug laws. The USAO has also agreed to consider for prosecution cases in which non-Indians commit misdemeanor crimes against Native Americans in Indian Country to assure that low level crimes by non-Indians against Native Americans do not go unpunished.

In a further effort to address concerns raised by the Omaha and Winnebago Tribes, the USAO has made a commitment to send at least one, and sometimes two, staff members to monthly Multi-Disciplinary Team (MDT) meetings which involve review of reported child abuse cases occurring on the Omaha and Winnebago Reservations. The cases are then tracked to make sure

the complaints receive appropriate follow-up and that cases are reported to law enforcement and social service agencies in a timely manner.

LECC Manager Jeanette and his staff also work to assist the Tribes in obtaining information on grants and other available resources which might benefit Nebraska's Tribes. The Omaha and Winnebago Reservations are located primarily in Thurston County. Because of the great poverty and high crime rates found in that County, the USAO has aggressively moved forward with a request to have much of Thurston County declared a federal Weed and Seed site. The designation will allow the release of federal grants for increased law enforcement, and for various other programs designed to improve conditions in the County.

Indian Country Prosecutions

The USAO filed more than 21 cases related to crimes occurring on the Omaha and Winnebago Reservations in 2002. Because of the special nature of federal jurisdiction in Indian Country, the cases involved crimes usually punished under state law, such as assault, sexual assault, and burglary, as well as more typical federal offenses.

United States v. Webster, et.al -

Wisdom Webster, Marcus Country, Kareem Robinson, Angel Merrick and a juvenile male were indicted on homicide charges related to the beating death of Brandon L. Horn on the Omaha Indian Reservation. After Horn was beaten by several of the defendants, his unconscious body was dragged to a nearby field and left. Several of the defendants have been convicted while others await disposition.

E. OTHER CRIMINAL DIVISION PRIORITIES

Illegal immigration continues to be a persistent, indeed growing, problem in Nebraska, and has therefore been designated a District priority. The USAO has committed to aggressively prosecute aliens who have illegally reentered the United States following deportation subsequent to conviction for an aggravated

felony. The USAO also prosecutes employers who knowingly hire significant numbers of illegal aliens.

In recognition of the relationship between immigration cases and homeland security, the USAO has committed to prosecute cases involving widespread creation and dissemination of fraudulent immigration papers. The USAO has also worked with agents of the Department of Homeland Security and the Social Security Administration, Office of the Inspector General, to check employment records of persons working in secure areas at Nebraska airports. As a result of the "sweeps" conducted, numerous aliens who had obtained employment under fraudulent pretenses were removed from the United States or, in appropriate cases, prosecuted in federal court.

Corporate fraud prosecutions are also a priority concern of the USAO. In order to assure that Department of Justice objectives are achieved in this area, personal accountability, as opposed to simply corporate accountability, has been required in all fraud cases in which it is possible to prove individual responsibility. Restitution for victims has been sought in all appropriate cases. While large judgments have been obtained, it has not always been possible to actually obtain recompense for the victims. However, whenever significant assets can be located, the USAO has endeavored to ensure that victims receive restitution owed.

General Criminal Cases

In addition to the cases described in the specific sections listed above, Criminal Division AUSAs successfully prosecuted several other significant cases in the last year.

United States v. Anthony Steven Wright a/k/a Tony Zappa -

Anthony Steven Wright, a/k/a Tony Zappa, was convicted of kidnapping and a related firearms charge. Wright abducted a 17-year-old Kearney High School girl from a shopping mall in Kearney. The girl was threatened with a handgun, savagely beaten, and forced in a semi-conscious state into a stolen Suburban. Wright thereafter bound her with chains, forced her to lie on the floor of the vehicle, and threatened to kill

her if she tried to escape. He took her from Nebraska to Wyoming and eventually to Montana. Wright repeatedly threatened the victim with death, bound her on multiple occasions with chains and duct tape, and also subjected her to sexual abuse. After six days, the victim was ultimately freed, and Wright was arrested, when law enforcement officers surrounded the cabin they were in near Rollins, Montana. Wright was convicted on all charges by a U.S. District Court jury. He was sentenced to life in prison for the kidnapping conviction and received an additional 7 year consecutive sentence for the firearms charge.

United States v. Joseph Abboud, Gene Abboud, David Abboud, Baron Abboud, and United Imports -

Joseph Abboud, Gene Abboud, David Abboud and Baron Abboud were convicted of various charges ranging from mail fraud and money laundering to assisting in the unauthorized reception of cable television programming. The convictions arose from the defendants' operation of businesses which sold modified television descramblers capable of stealing premium programming. Joseph Abboud, who was convicted of mail fraud, was sentenced to eight months in jail, required to forfeit \$900,000 to the government and to pay a \$10,000 fine. Gene Abboud pled guilty to assisting in the unauthorized reception of cable television programming, a felony, and was fined \$10,000. David Abboud and Baron Abboud received a fine of \$10,000 each. United Imports forfeited approximately \$5 million to the United States as part of the agreement resolving the case.

United States v. Thomas Sawicz -

Thomas Sawicz was sentenced to 15 months in prison and was ordered to pay restitution in the amount of \$119,000.00 following his conviction for defrauding an insurance company. Sawicz was an Executive Vice President of Mutual of Omaha who was required to engage in substantial corporate travel. When Sawicz incurred legitimate business expenses while performing his duties on behalf of Mutual of Omaha, corporate policy required that he submit a weekly travel and entertainment expense report detailing his business expenditures in order to obtain

reimbursement. Between September 1994 and February 1999, Sawicz submitted false weekly travel and expense reports to Mutual of Omaha which claimed reimbursement for expenses that were not actually incurred, or substantially overstated claimed expenses.

United States v. James Novak -

James Novak pled guilty to wire fraud related to a nationwide telemarketing scheme that targeted senior citizens and involved the selling of U.S. Silver Eagle coins at highly inflated prices using false representations. Novak was sentenced to 33 months in prison and agreed to make almost one million dollars in restitution to victims of the fraud scheme.

United States v. Beatriz Rodriguez, Edith Hernandez, Jorge Rodriguez and Juanita Nunez -

Beatriz Rodriguez, Edith Hernandez, Jorge Rodriguez and Juanita Nunez were convicted of bank fraud and sentenced to prison as a result of their execution of a scheme to pass stolen United States Treasury checks at Nebraska banks. At the time of the defendants' arrest, police found 13 uncashed stolen United States Treasury checks totaling \$21,411.15, numerous false identifications with pictures of all involved suspects, and \$59,793.00 in United States currency.

United States v. Rajitha Goli -

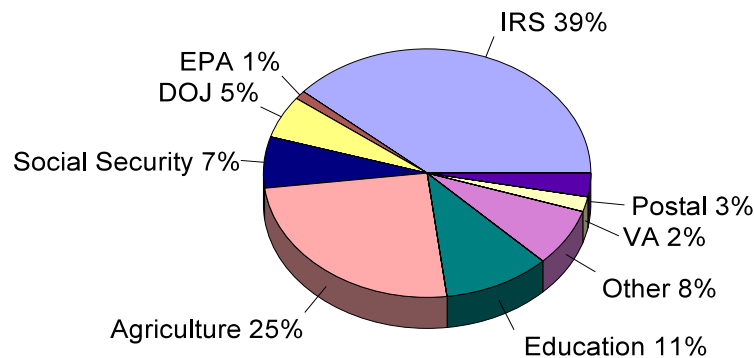
Dr. Rajitha Goli was convicted of health care fraud related to a scheme she perpetrated in Kearney and Sargent, Nebraska. The scheme involved the administration of medically unnecessary intravenous heart therapy on approximately 92 elderly individuals. Goli falsely billed Medicare and Medicaid, and private insurance companies, for the medically unnecessary therapy. The fraud scheme also involved other false billing practices and related kickback activities. Goli was sentenced to a term of 12 months and one day in federal prison and was ordered to pay restitution in the amount of \$642,858.21.

CIVIL DIVISION

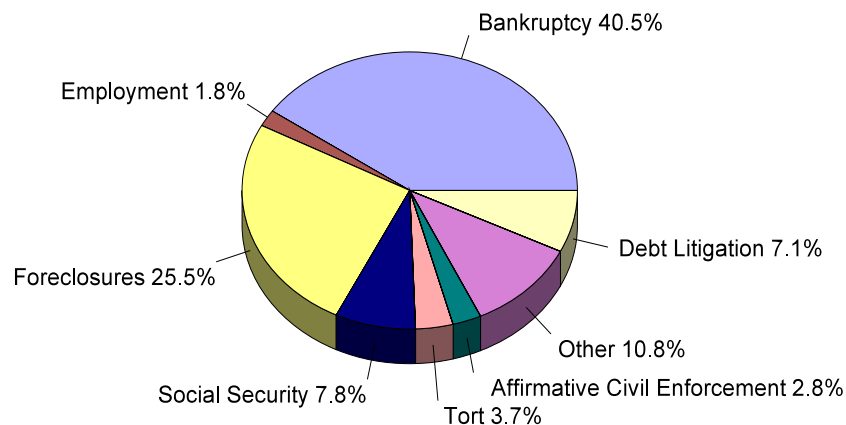
Attorneys in the USAO's Civil Division represent the United States, as well as federal agencies, officers, and employees, in civil litigation in the federal and state courts of Nebraska. Civil Division attorneys completed work on 461 cases during 2002. Included in that number were affirmative cases brought to enforce federal statutory and regulatory requirements, and to collect debts owed to the United States. Also included were defensive cases in which the validity of federal laws, or the acts of federal agencies and employees were challenged. The charts below depict the types of civil cases and matters completed during 2002, and the federal agencies involved.

Civil Cases and Matters Closed 2002

By Agency



By Cause of Action



Civil Division AUSAs have worked in recent years to enhance the Affirmative Civil Enforcement (ACE) program of the USAO. The ACE program involves various initiatives designed to collect civil monetary penalties for violations of federal law, to recover costs regulatory agencies incur as a result of violations of federal legal requirements, and to obtain compliance with the requirements of federal law through civil litigation.

The USAO's ACE program includes an active Health Care Fraud Task Force made up of civil and criminal attorneys, investigators from various state and federal agencies, and representatives of insurance providers and intermediaries. The task force approach provides effective communication regarding the investigation of health care fraud in the district, and allows the USAO to pursue cases in the manner most effective to deter fraudulent activity and recover losses.

Other areas of emphasis in the ACE program include environmental enforcement and enforcement of civil rights laws such as the Americans with Disabilities Act. In the last year the USAO worked on several civil environmental cases brought to recover civil penalties from polluters, and to recover the Environmental Protection Agency's costs in responding to the cleanup of sites in Nebraska contaminated with hazardous waste. Some of those cases are described below.

The success of the USAO's ACE efforts is reflected in increased monetary recoveries in ACE cases. In calendar year 2002, ACE recoveries totaled \$4,541,574. That figure is nearly three times greater than the \$1,520,512 recovered in calendar year 2001.

As in most years, Civil Division attorneys also conducted a significant amount of litigation in 2002 to collect debts owed to the United States. Suits to obtain judgments for unpaid balances on delinquent loans made by agencies such as the United States Department of Agriculture, the United States Department of Education, the Department of Veterans Affairs and the Small Business Administration comprise a significant portion of the USAO's civil workload. The cases are litigated in federal district court, bankruptcy court, and state courts throughout Nebraska.

In the area of defensive litigation, the Civil Division of the USAO continued efforts to provide quality representation to the United States and its agencies and officers in federal and state court cases. Division attorneys defended a large number of cases brought in federal court to set aside or modify the actions of federal agencies and officers. Civil Division attorneys also handled several cases seeking damages for alleged negligence or other wrongful conduct by federal employees, as well as cases alleging discrimination in federal employment and federal programs. In many of these cases, judgment was entered for the United States. In the others, as a result of the USAO's efforts in defending the cases, the amount of damages paid by the United States was millions of dollars less than the amount demanded by the plaintiffs.

In 2002, the USAO's Civil Division implemented a plan to host periodic meetings for attorneys and paralegals from all civil client agencies located in Nebraska. The meetings provide an opportunity to improve communication between the USAO staff and personnel from its client agencies, and between the legal staffs of various federal agencies in the District. The meetings will also include presentations on new developments and discussions of legal issues of mutual interest.

Civil Cases

Some of the more significant civil cases completed in the past year are described below.

United States v. IBP, inc. -

The United States filed suit to require meatpacker IBP, inc., to correct long-standing violations of the Clean Water Act, the Clean Air Act, and other federal environmental statutes at its facility in Dakota City, Nebraska. The suit also sought penalties for violations of the Clean Water Act resulting from IBP's operation of a facility in Gibbon, Nebraska, during the 1990's. A Consent Decree was entered requiring IBP to complete significant improvements to bring its Dakota City plant into compliance with environmental requirements. IBP also paid \$2,250,000 in civil penalties for past violations, and agreed to fund and complete

several special projects designed to improve parks and other areas near the community of Dakota City.

United States v. Dutton-Lainson Co. -

The United States filed suit to recover costs attributable to Dutton-Lainson Co. related to the Environmental Protection Agency's cleanup of groundwater contamination at the Well #3 Subsite of the Hastings Superfund site. Pursuant to the terms of the Consent Decree entered in the case, Dutton-Lainson paid \$333,119.76 to be deposited in the Superfund and used to pay for environmental cleanup projects.

United States v. Union Pacific Railroad -

The United States filed suit to recover costs attributable to the Union Pacific Railroad related to the Environmental Protection Agency's cleanup of groundwater contamination at the Cleburn Street Site in Grand Island. Pursuant to the terms of the Consent Decree entered in the case, Union Pacific paid \$68,493.72 to be deposited in the Superfund and used to pay for environmental cleanup projects.

United States v. Island Supply Welding Co. -

The United States brought suit on behalf of the Food & Drug Administration seeking forfeiture of equipment being used to distribute oxygen for medical purposes in violation of applicable federal rules and regulations. As a result of the suit, Island Supply cleaned potentially contaminated oxygen canisters and agreed to discontinue its distribution of oxygen for medical use.

American Postal Workers v. United States Postal Service -

The USAO successfully defended a suit challenging the Postal Service's interpretation of an arbitrator's award regarding overtime and other wage adjustments due to certain Postal workers in Omaha. As a result of the judgment entered in the case, the Postal Service will pay approximately \$500,000 less than the amount sought by the Union.

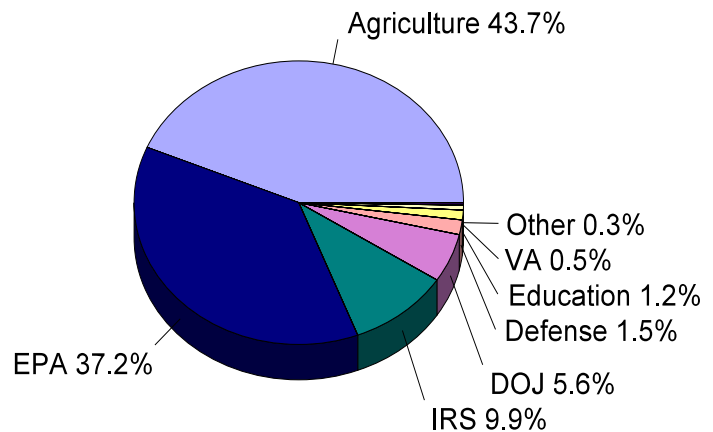
Collection of Judgments

The Civil Division's Financial Litigation Unit collected more than \$12,000,000 in calendar year 2002. That figure represents a significant increase from the \$8,137,538 collected in calendar year 2001. Total recoveries for individual agencies included:

Agriculture	\$5,287,113
EPA	4,503,348
IRS	1,200,295
Justice	681,116
Defense	185,625
Education	146,275
HHS	81,733
VA	56,021

Collections 2002

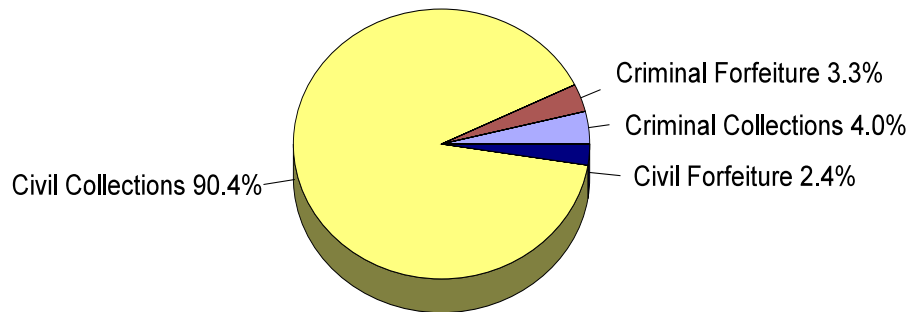
By Agency



In 2002, collections of criminal fines and restitution totaled over \$500,000. In addition, civil and criminal asset forfeiture cases resulted in forfeiture of cash and property valued at over \$700,000.

Collections 2002

By Type



A large percentage of the money collected by the USAO is forwarded to federal agencies for repayment of loans and other federal program obligations. Some of the recoveries, such as those obtained for the Environmental Protection Agency, are used to reimburse agencies for costs expended in implementing and enforcing federal programs. Criminal restitution collected is delivered to crime victims, and criminal fines and assessments are used to fund federal programs for the benefit of the victims of crimes. Much of the money and property recovered through asset forfeiture litigation is redistributed to federal, state, and local law enforcement agencies for use in criminal investigatory work.

LAW ENFORCEMENT AND COMMUNITY COORDINATION

The Law Enforcement and Community Coordination Unit (LECC) of the USAO has worked to develop strong collaborative partnerships with federal, state, tribal and local law enforcement agencies, as well as other public and private entities throughout the State, to support the overall mission of the USAO. Some of those partnerships are designed to facilitate the investigation and prosecution of criminal offenses. Others are designed to prevent crime, and to provide a safer community for all Nebraskans. The LECC staff of the USAO works closely with the Nebraska Crime Commission in the planning and implementation of activities such as grant administration, data sharing, research, law enforcement training, administration of jail standards, and other specific projects.

The success of many of the programs and initiatives described elsewhere in this report depends in large part on the collaborative efforts of the USAO and personnel from other governmental and private entities. For example, the Anti-Terrorism Task Force in Nebraska emphasizes the sharing of intelligence information about possible terrorist activity between federal, state, local, and private agencies. The Project Safe Neighborhoods effort in Nebraska is guided by a statewide task force of law enforcement officers, prosecutors and community outreach experts. And the regional drug task forces throughout the State focus on information sharing and cooperative law enforcement approaches to address the problem of illegal drug use.

Co-located within the USAO's LECC Unit are the Nebraska Initiatives of the Midwest HIDTA. The Midwest HIDTA effort focuses on decreasing the importation, distribution, manufacture, and demand for illegal drugs within the State and the Midwest Region. Intelligence information on drug activity is disseminated through the Nebraska Law Enforcement Intelligence System (NELEIS), maintained by the State Patrol. The HIDTA initiatives, in addition to supporting law enforcement and prosecution, have developed a number of prevention programs. HIDTA works in conjunction with the *Drug Victim Initiative* of the USAO, a program that informs members of the community of recent drug indictments and convictions.

United States Attorney Heavican and LECC Manager Jeanette are members of the Policy Workgroup of the Nebraska Partners in Prevention, which is responsible for devising the criteria and protocols for the distribution of drug prevention grants to various agencies throughout the State. The USAO has also been instrumental in the development of many of Nebraska's drug courts.

Another collaborative effort of the USAO is the Weed and Seed program. The Weed and Seed program is a community-based, multi-agency approach to law enforcement, crime prevention, and neighborhood restoration. The Weed and Seed strategy brings federal, state, and local law enforcement agencies together with prosecutors, social services providers, representatives of the public and private sectors, business owners, and neighborhood residents to further the common goal of weeding out crime while seeding in social services and economic revitalization. The USAO's LECC Unit has assisted in the formation of officially recognized and funded Weed and Seed sites in the northeast and southeast areas of Omaha, and a third Weed and Seed site in Thurston County which will serve the Winnebago and Omaha Indian Reservations. The Weed and Seed sites in Omaha and in Thurston County will benefit from increased federal financial assistance and increased cooperative efforts directed to achieving the goals of the program.

The USAO's LECC Unit works closely with the Nebraska Sheriff's Association, Police Officers Association of Nebraska, Police Chiefs Association of Nebraska and the Nebraska County Attorneys Association to develop and present training on subjects related to law enforcement. An annual executive level criminal justice conference is hosted by the USAO and cosponsored by the Nebraska County Attorneys Association. A number of topics relevant to the needs of criminal justice officials are presented at this three-day conference held each May. Additional conferences are sponsored through the year on various topics of interest for law enforcement officers, prosecutors, other criminal justice officials and community members.

Pursuant to a grant from the Office for Victims of Crime, the USAO has developed a system for providing assistance and service to victims of federal crime. The program partners with the Federal Bureau of Investigation to provide victim services from the time of the occurrence of the crime so that victims are

kept apprized of the status of investigations. Throughout the program, members of the USAO's LECC staff inform victims of federal crimes of the status of criminal cases brought against the perpetrators of those crimes, and provide assistance to victims and other witnesses when needed during the course of the prosecution.

CONCLUSION

During the past year, the components of the Nebraska USAO have worked to effectively represent the interests of the United States and the people of Nebraska both in litigation and in other programs designed to increase the effectiveness of law enforcement in the State. Through cooperative efforts with other public and private entities, the USAO has sought to improve the quality of life for all Nebraskans. By building on the success of current programs and continuing our cooperative endeavors, we hope to make Nebraska an even better place to live.

CONTACT INFORMATION

For further information about the USAO, please visit our website at www.usdoj.gov/usao/ne.